**Interagency Task Force on
Worker Classification**

Fourth Annual Report

December 31, 2023

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Background: On September 11, 2020, Governor Parson issued *Executive Order 20-15* creating the Interagency Task Force on Worker Classification. The task force was charged with facilitating communication of investigations and enforcement of worker misclassification matters by the Departments of Labor and Industrial Relations (DOLIR), Revenue (DOR), Commerce and Insurance (DCI), and other relevant agencies. This includes, but is not limited to:

- Examining and evaluating existing misclassification enforcement by agencies;

- Facilitating sharing among Task Force members of information related to suspected worker misclassification violations, in a timely manner as permitted by law;

- Developing recommendations for pooling, focusing, and targeting investigative and enforcement resources;

- Assessing existing methods, both within Missouri and in other jurisdictions, of preventing, investigating, and taking appropriate enforcement actions against worker misclassification violations, and to develop best practices for participating agencies to improve their prevention and enforcement efforts;

- Working cooperatively with business, labor, and community groups interested in reducing worker misclassification, including but not limited to: 1) seeking ways to prevent worker misclassifications, such as through the further dissemination of educational materials and community outreach regarding the legal difference between independent contractors and employees; and 2) enhancing mechanisms for identifying and reporting worker misclassification where it does occur;

- Increasing public awareness and community outreach to explain the illegal nature of and harms caused by worker misclassification; and

- Reviewing statutes and regulations related to worker misclassification and recommending any appropriate changes to relevant legislation or administrative rules.

The Task Force reports to Governor by December 31st of each year, with a final report due by the end of 2024.

First Task Force Meeting of 2023: March 14, 2023

Partnerships with State and Federal Agencies

This meeting highlighted the importance of cooperating with state and federal colleagues. Division of Labor Standards (DLS) Director Todd Smith provided updates on the United States Department of Labor (USDOL) Wage and Hour proposed rule and the Memorandum of Understanding (MOU) between DOLIR and USDOL. This MOU is a high-level agreement between DOLIR and USDOL in which both agencies agree to work together to exchange information and be present at joint events (note: on April 20, 2023, representatives from DOLIR and USDOL met in Jefferson City and formally signed the agreement).

Smith and his DLS team also planned to be present at events hosted by entities focused on Missouri's workforce such as the Missouri Municipal League, the Missouri Association of Counties, and the Associated General Contractors of Missouri.

DOLIR Deputy Director Matt Hankins discussed the DOLIR Tips and Complaints webpage, available at https://labor.mo.gov/off-the-books. Visitors to this webpage are directed to an existing webpage operated by the Missouri Attorney General's Office. This consolidated reporting process provides Missourians with a seamless, transparent, convenient way to voice their concerns to state government agencies.

Second Meeting of 2023: November 30, 2023

Public Outreach and Communication

The second meeting of 2023 highlighted the many ways that the task force is working to educate the public on issues surrounding worker misclassification:

• Andrea Follett, DOLIR General Counsel, shared the presentation she gave in September 2023 at the National Association of State Workforce Agencies (NASWA) 2023 Summit. The presentation, entitled *Addressing Worker Misclassification in Missouri*, discussed how DOLIR, both on its own and in cooperation with the Missouri AG and the Interagency Task Force**,** educates Missourians about worker classification and provides resources for people to report concerns about misclassification and the use of unauthorized workers.

• DLS Director Todd Smith discussed DLS outreach efforts on issues such as worker classification, child labor, and minimum wage. Smith and members of the DLS team presented information to groups including the Association of General Contractors, the Missouri Municipal League, the Missouri Association of Counties, and the Common Ground Alliance conference. Going forward in 2024, Smith plans to notify task force members about outreach opportunities so that they may send representatives as appropriate.

• DOLIR Deputy Director Matt Hankins discussed how DOLIR is working towards a holistic, citizen-friendly, scalable, web-based approach to receiving tips and complaints from workers, employers, and members of the public. The goal is to create a "one-stop shop" for users to report a variety of issues through easy-to-navigate drop-down features that will route concerns to the appropriate DOLIR divisions. The solution will be delivered on Missouri approved enterprise architecture for adoption throughout Missouri state government.

Update: Undocumented Workers Public Service Announcement (PSA)

In 2022, DOLIR received a one-time appropriation of $100,000 from the Missouri legislature for the purpose of drafting a plan for a state system to receive reports of undocumented workers employed in the state of Missouri. Complaints that allege the employment of individuals that are not authorized to work in the United States are referred to the Missouri Attorney General's Office that has the statutory authority (RSMO 285.535) for enforcement. In the course of our analysis, we found that the Attorney General's Office already has a hotline as well as portal for filing complaints related to unauthorized workers. That portal remains in place. As a result, DOLIR partnered with the MO Attorney General's Office to create a radio/TV public service announcement.

The Missouri Broadcasters Association (MBA), through its members, provides a program for state and local governments to receive a guaranteed 4-to-1 return on investment (ROI) on advertising made through the Public Education Program (PEP). DOLIR entered into an agreement with MBA to produce and distribute a 30-second TV and radio commercial featuring Attorney General Andrew Bailey that related to worker classification and how to report undocumented workers. For DOLIR's $97,000 investment with MBA, the campaign received an ROI of $1.156 million (see Attachment A).